



COMMUNIQUE AT THE INTERACTIVE SESSIONS ON THE IMPLEMENTATION AND ADMINISTRATION OF THE EMPLOYEES' COMPENSATION ACT 2010.

Preamble

The enactment of the Employees' Compensation Act 2010 by the Federal Government has introduced a new dispensation in the management of compensation for employees that are injured or suffered disability in and out of employment.

In the light of the above, interactive sessions were held between NECA and Nigeria Social Insurance Trust Fund (NSITF) to provide the platform for the Organized Private Sector (OPS) and other Stakeholders to be enlightened and sensitized, on the implementation and administration of the new Act.

Key Conclusions

- In deference to the appeal of the employers and practical issues raised on implementation of the Employees' Compensation Act 2010, NSITF would consider an implementation/ commencement date of 1st July, 2011.
- NSITF would involve the Employers in the process of articulating regulations and guidelines for the implementation of the new dispensation. This will be done from time to time through exposure of draft guidelines and regulations for discussion and inputs of the Employers.
- Any future review of the rate payable will be subjected to wide consultation and discussion, which will involve the employers.
- Within the context of the new dispensation and at no extra cost to the employers, the NSITF will explore other social products/services it could offer to the employees.
- In the event of dispute or disagreement between the Employer and NSITF on assessed risk and expected rate payable by the employer, the issue in dispute will be subjected to an Arbitration Panel, which NSITF will set up,



comprising equal representatives of Employers, Union and the Government. The decision of the Arbitration Panel will be binding on both parties.

- The NSITF and NECA would agree on Standing Committee, comprising four (4) representatives of each party, to receive, examine and give effect to problems and challenges that will arise, from time to time, with the implementation of this law.
- The law would be interpreted, as much as possible, to retain erstwhile advantages in the Workmen Compensation Act, which have not been expressly stated in the current law.
- The NSITF would ensure that the administrative cost for managing the Scheme does not exceed ILO's benchmark for social insurance scheme.
- From time to time, the NSITF would invest in accident management infrastructure in companies with high tendencies or susceptibility to work place accident.
- Definition of Payroll will not go beyond Basic Salary, Housing Allowance and Transport Allowance.
- There will be an annual interactive/enlightening forum between NECA and NSITF in the six (6) geographical zones to review developments in respect of the Scheme, with the view to improving quality of service delivery and address Employers' challenges in complying with the new dispensation.